



**Los Angeles County  
Board of Supervisors**

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September 19, 2006

The Honorable Board of Supervisors  
County of Los Angeles  
383 Kenneth Hahn Hall of Administration  
500 West Temple Street  
Los Angeles, California 90012

Dear Supervisors:

**DELEGATE AUTHORITY TO EXECUTE MEMORANDUM OF  
AGREEMENT WITH THE UNIVERSITY OF SOUTHERN  
CALIFORNIA FOR DISTRIBUTION OF WOLFE FAMILY TRUSTS  
PROCEEDS AND CONSENT TO PROBATE COURT PETITION  
(First District) (3 Votes)**

IT IS RECOMMENDED THAT YOUR BOARD:

1. Authorize the Director of Health Services (Director), or his designee, to execute a Memorandum of Agreement (MOA) [Exhibit I] with the University of Southern California (USC), Keck School of Medicine establishing that proceeds of the Wolfe Family Trusts (Trust) will be restricted to initiatives that support hospital and clinic re-design efforts.
2. Authorize County Counsel to execute a Consent to Probate Court Petition in the matter of the Trust [Exhibit II] supporting the establishment of the USC, Keck School of Medicine as the residual beneficiary of the Trust and execute all other legal documents necessary to effectuate the distribution of the Trust.

**PURPOSE/JUSTIFICATION OF THE RECOMMENDED ACTIONS:**

The purpose of the recommended actions is to allow the County to recognize the establishment of USC as the residual beneficiary of the Trust and simultaneously enter into an MOA with USC to utilize Trust proceeds for the mutual benefit of the County and USC for initiatives that support re-design activities for the new hospital, currently under construction.

FISCAL IMPACT/FINANCING:

There are no net County costs involved in this action. The approximate total value of the Trust is \$800,000, all of which will be received by USC for mutual benefit of the County and USC as described herein.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS:

The Trust lists "Los Angeles County - University of Southern California" as the residual beneficiary. A long history of communications indicates that the Wolfe Family may have intended for USC to be the beneficiary, yet the Trust documents could be construed to list the County facility as the beneficiary.

To resolve ambiguity and attempt to best carry out the wishes of the Wolfe Family, the Department of Health Services (Department) recommends that the County and USC use all proceeds from the Trust for the mutual mission of both the County and USC to support their affiliation and deliver quality patient care services at the new replacement Hospital at LAC+USC Medical Center. Toward this end, County Counsel will execute the Consent to the Probate Court Petition in the matter of the Wolfe Family Trusts indicating the County's consent to the proposed order clarifying the Trust instrument and all other legal documents necessary to effectuate the distribution of the Trust. The Consent to the Probate Court Petition will establish USC, Keck School of Medicine as the sole residual beneficiary of the Wolfe Family Trusts.

Further, the Department seeks the authority to execute an MOA with USC that sets forth the Agreement of the parties with regard to the restricted use of the Trust proceeds. As set forth in the MOA, the proceeds will be used for initiatives that support hospital and clinic re-design efforts.

Attachment A provides additional information.

County Counsel has approved Exhibit I and Exhibit II.

CONTRACTING PROCESS:

Not applicable.

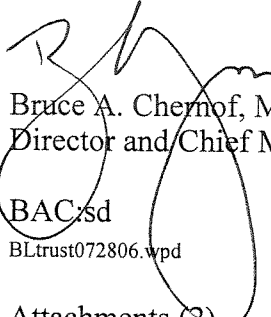
IMPACT ON CURRENT SERVICES (OR PROJECTS):

The Trust proceeds and the MOA with USC will assist LAC+USC with activities related to the redesign efforts at the new County hospital.

The Honorable Board of Supervisors  
September 19, 2006  
Page 3

When approved, this Department requires three signed copies of the Board's action.

Respectfully Submitted,



Bruce A. Chernof, M.D.  
Director and Chief Medical Officer

BAC:sd

BLtrust072806.wpd

Attachments (2)

c: Chief Administrative Officer  
County Counsel  
Executive Officer, Board of Supervisors

**SUMMARY OF AGREEMENT**

1. **TYPE OF SERVICE:**

Authorization to execute the Consent to Probate Court Petition naming USC , Keck School of Medicine as the residual beneficiary of the Trust, and enter into MOA with USC to utilize approximately \$800,000 total Trust funding for re-design efforts at the Medical Center's new hospital which is currently under construction.

2. **ADDRESS AND CONTACT PERSON**

Pete Delgado, CEO  
LAC+USC Medical Center  
1200 North State Street  
Los Angeles, CA 90033  
Telephone: 323-226-2800

Bruce A. Chernof, Director and Chief Medical Officer  
Department of Health Services  
313 North Figueroa  
Los Angeles, CA 90012  
Telephone: 213-240-8101

3. **TERM:**

Not applicable.

4. **FINANCING INFORMATION:**

There are no net County costs involved in this action. The approximate total value of the Trust is \$800,000, all of which will be received by USC for mutual benefit as described herein.

5. **ACCOUNTABILITY FOR MONITORING:**

LAC+USC will monitor appropriate use of Trust by USC Keck School of Medicine.

6. **APPROVALS:**

LAC+USC:  
Contracts and Grants:  
County Counsel (approval as to form):

Pete Delgado, CEO  
Cara O'Neill, Chief  
Elizabeth J. Friedman, Senior Deputy

## MEMORANDUM OF AGREEMENT

This memorandum of agreement is between the Keck School of Medicine, of the University of Southern California ("USC"), a California non-profit public benefit corporation, and the County of Los Angeles ("County").

1. USC and County agree that the portion of the proceeds of the Wolfe Family Trusts (the "Trust"), created by Declaration dated March 25, 1987, naming the "Los Angeles County - University of Southern California Medical Center," as residual beneficiary, should be used for the joint benefit of both USC and County.
2. USC and County agree that the Wolfe Family Trusts should distribute the residual proceeds of the Trust ("Trust Proceeds") directly to USC for use as provided in this Agreement.
3. USC agrees that use of the Trust Proceeds shall be restricted to funding initiatives that support Hospital and Clinic related Redesign efforts supporting USC's affiliation with County at the adjacent new County hospital currently under construction (the "New County Hospital"); and.
4. Initiatives that support Hospital and Clinic Redesign efforts include Training, Change Management, Clinic Program Design, Redesign and Reporting.
5. Prior to USC's expenditure of any Trust Proceeds, County's Director of Department of Health Services or his designee shall agree in writing to the Hospital or Clinic Redesign effort being supported.
6. County agrees to reasonably cooperate with USC and to provide whatever form of consent is reasonably required to complete the process of obtaining Court approval for USC to obtain the Trust Proceeds in furtherance of the purposes of this Agreement. USC has retained its own attorney to arrange for the designation of an administrator of the Trust.
7. The parties agree that the cost of the Trust's administration shall be paid from the Trust Proceeds.
8. USC and County agree that to the maximum extent permitted by law, in no event will either party be responsible for any incidental damages, consequential damages, exemplary damages of any kind, lost goodwill, lost profits, lost business and/or any indirect economic damages whatsoever regardless of whether such damages arise from claims based upon contract, negligence, tort (including strict liability or other legal

theory), a breach of any warranty or term of this agreement, and regardless of whether a party was advised or had reason to know of the possibility of incurring such damages in advance.

COUNTY OF LOS ANGELES

UNIVERSITY OF SOUTHERN  
CALIFORNIA

By: \_\_\_\_\_

Name:

Title:

By: \_\_\_\_\_

Name:

Title:

1 ARTHUR S. LEVINE (State Bar No. 39743)  
 2 SONNENSCHN NATH & ROSENTHAL LLP  
 3 601 South Figueroa Street, Suite 1500  
 4 Los Angeles, California 90017  
 5 Telephone: (213) 623-9300  
 6 Facsimile: (213) 623-9924

7 Attorneys for Petitioner

8 SUPERIOR COURT OF THE STATE OF CALIFORNIA  
 9 FOR THE COUNTY OF LOS ANGELES

10  
 11 In the Matter of the Wolfe Family Trust and  
 12 Betty Wolfe Exemption Trust Created  
 13 Under Wolfe Family Trusts Declaration of  
 14 Trust Dated March 25, 1987

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The undersigned, Elizabeth Friedman, Senior Deputy County Counsel for the Office of the County Counsel for the County of Los Angeles, has read and knows the contents of the PETITION FOR ORDER RE: (1) DETERMINING THE ORDER OF PERSONS' DEATHS, DETERMINING QUESTIONS OF CONSTRUCTION OF A TRUST INSTRUMENT AND ASCERTAINING BENEFICIARIES AND DETERMINING TO WHOM PROPERTY SHALL PASS OR BE DELIVERED UPON FINAL TERMINATION OF THE TRUST [PROBATE CODE §§230, 17200(b)(1), (4)], OR, ALTERNATIVELY, MODIFICATION OF THE TRUST [PROBATE CODE §15403]; AND (2) APPOINTMENT OF SUCCESSOR TRUSTEE OF THE TRUSTS [PROBATE CODE §§17200(b)(10)] (the "Petition") of the University of Southern California Keck School of Medicine (the "Petitioner"), and has been authorized by the County of Los Angeles on behalf of the County of Los Angeles to execute this Consent to Petition of the County of Los Angeles.

SONNENSCHN NATH & ROSENTHAL LLP  
601 SOUTH FIGUEROA STREET, SUITE 1500  
LOS ANGELES, CALIFORNIA 90017  
(213) 623-9300

1 The undersigned, on behalf of the County of Los Angeles, does hereby consent to the  
2 matters set forth in the Petition including but not limited to the following:

3 1. The County of Los Angeles is the owner of the medical facility named "LAC + USC  
4 Medical Center. The County of Los Angeles does not know of any separate legal entity named  
5 "Los Angeles County - University of Southern California Medical Center.

6 2. The County of Los Angeles consents to the request in the Petition to interpret the  
7 Declaration of Trust (as defined in the Petition) to identify the University of Southern California  
8 Keck School of Medicine as the residuary beneficiary entitled to receive the assets distributed  
9 upon termination of the Trusts (as defined in the Petition) or in the alternative to the modification  
10 of the Exemption Trusts so that any reference to the "Los Angeles County - University of  
11 Southern California Medical Center" be changed to the "University of Southern California Keck  
12 School of Medicine."

13 I declare under penalty of perjury under the laws of the state of California that the  
14 foregoing is true and correct and that this Consent to Petition of the County of Los Angeles was  
15 executed on \_\_\_\_\_, 2006, at \_\_\_\_\_, California.

16 County of Los Angeles

17  
18 By: \_\_\_\_\_  
19 Elizabeth Friedman, Senior Deputy County  
20 Counsel for the Office of the County Counsel  
21 for the County of Los Angeles

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